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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/557,040	04/21/2000	James S. Ellis	K35A0603	6502

26332 7590 04/07/2004

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C205 - INTELLECTUAL PROPERTY DEPARTMENT  
LAKE FOREST, CA 92630

EXAMINER

THOMPSON JR, FOREST

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 04/07/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/557,040

Applicant(s)

ELLIS ET AL.

Examiner

Forest Thompson Jr.

Art Unit

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ML

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 26 November 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-32 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-32 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 21 April 2000 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)             | 4) <input checked="" type="checkbox"/> Interview Summary (PTO-413)          |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. <u>5</u> .   |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____.  | 6) <input type="checkbox"/> Other: _____.                                   |

## **DETAILED ACTION**

### ***Response to Amendment***

1. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action (See Paper #2). The text of those sections of Title 35, U.S. Code not otherwise provided in a prior Office action will be included in this action where appropriate.

2. This action is responsive to applicant's Request for Reconsideration (see Paper #3) filed on 06/11/2003 (see Paper #4). Applicant argues the merits of the prior art, Hawkins et al. (U.S. Patent No. 6,029,146), as applied in the rejection. Applicant specifically requests that examiner particularly point out where Hawkins discloses "a plurality of investment instruments, "a means for apportioning", and "a means for receiving" as recited in applicants' claim 1, so that Applicants have a full and fair opportunity to respond to this rejection. Claims 1-32 were not amended, and are pending.

3. Claims 1-32 have been examined.

### ***Claim Rejections - 35 USC § 103***

4. Claims 1-10, 12-25, and 27-32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hawkins et al. (U.S. Patent No. 6,029,146), and further in view of "Should Publishers Consider Retail Revenue Sharing With Online Networks;"

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Multimedia Wire; v5, n142; 24 July 1998 (hereafter referred to as Multimedia), and Stolzoff et al. (WO 00/75828).

5. Applicants' invention presents claims in the context of a system and method for executing buy orders for purchasing computer components. Examiner notes that analogous art in the same class and subclass as applicant's claimed invention (namely, 705/26) includes prior art that discloses the invention and/or functionality as claimed by applicants for various types of product/services, which encompass computer and other types of electronic components, and that this prior art may be used to reject applicants' invention. Additionally, Examiner has identified other prior art that teaches aspects of applicant's invention. Examiner considers Hawkins et al. as analogous and appropriate prior art for use in this rejection.

6. Claims 1-10, 12-25, and 27-32: First, Fees were old and well known in the art as illustrating factors of ownership and service provided at the time the invention was made. Such fees might encompass providing monetary value to owners of an interest in products or services for the use or exchange of these products or services. The fees disclosed by Hawkins et al. at col. 14 lines 39-48 and col. 17 lines 42-46, and further presented at fig. 12 [674], are consistent with these fees, and present components of Hawkins' invention that may be construed as (1) prior art, and (2) indication of ownership of shares.

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Additionally, Multimedia teaches (page 1): *There is plenty of precedent in the entertainment business for revenue sharing models or some form of compensation. The major broadcast networks, for example, pay cash to their affiliates as an incentive to carry network programming. Premium cable channels split the monthly subscription fees right down the middle with large cable operators. Cable operators pay cable channels on a per sub basis for the right to carry programming, but they can also sell advertising against the show. Title publishers have always contributed market development funds to retailers, as much as 2% of invoice value, to support promotion in the channel and storefronts.* Additionally, Stolzoff teaches:

- The assets selected from the group consisting of art work, intellectual property rights, real estate property rights, oil rights, mineral rights, and water C rights (Abstract).

Examiner asserts that the term asset used by Stolzoff encompasses any type of property, equipment or other property or rights that have value and are transferable between potential owners, including computer components. Examiner maintains that the type of product, item or service being presented for sale does not necessarily provide patentability to the claimed invention.

- The first preferred embodiment of this invention is a method for trading rights.

The rights can be intellectual property rights, real estate property rights, oil rights,

mineral rights, water rights, and any other currently illiquid rights. Intellectual property rights encompass patents, trademarks, copyrights, and trade secrets. (pg. 5 lines 13-16)

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- The first step of the method includes establishing a medium for selling the rights. The medium can be an Internet based company. This company will bring together the owners of the rights and prospective purchasers of the rights. (Abstract; pg. 5 lines 19-21)
- The second step of the method includes assessing the value of the rights that are to be sold. (pg. 5 lines 22-23)
- The third and fourth steps of the method include dividing the rights into shares and then deciding the percentage of the shares to be sold. The percentage of shares to be sold can range from a percentage greater than zero and equal to one-hundred percent. (pg. 6 lines 9-12)
- The fifth step includes selling the shares by direct auction through the Internet and as a result, the purchasers of the shares become shareholders. (pg. 6 lines 12-13)
- Once shares are purchased the next steps of the method include discovering the amount of shares held by each shareholder, and then distributing dividends to the shareholders by the controlling shareholder. The dividend amount is proportional to the amount of shares held by the shareholder. (pg. 6 lines 15-18)
- periodically ascertaining which shareholder has a majority of the shares; allowing the majority shareholder to demand transfer of control and/or possession of the asset. (Abstract)
- There are several methods for distributing the dividends to the shareholders. First, the controlling shareholder can pay cash in an amount proportional to the amount of shares held by the shareholder. Second, the controlling shareholder can pay with

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shares representing his own equity interest, thereby diminishing his own equity in the rights and increasing the equity interest in the rights of the shareholders. Lastly, the controlling shareholder can pay dividends based on the amount of profits earned by exploitation of the rights. Further, the dividend can be paid in any combination of the three methods described above. (pg 6 line 19 – pg. 7 line 3)

- Another step of the method includes ascertaining the shareholder with a majority of the shares in the rights. The last step of the method includes allowing the majority shareholder to demand transfer of control of the rights to the shareholder with the majority of shares or any other person or entity the majority shareholder desires to have control of the rights. (pg. 7 lines 7-11)

The combination of Hawkins, Multimedia and Stolzoff teaches the following aspects of applicant's invention, as identified in the disclosures above:

- an exchange server complex electrically connected to a network;
- a plurality of investment instruments comprising shares of ownership interests in the exchange server complex, at least one of the shares associated with the first or the second owner-processor thereby representing the ownership interest in the exchange server complex for the proprietor of the respective owner-processor;
- accounting data representing allocation of net profits among the owner-processors that are associated with the shares, the net profits being extracted from fees charged for transactions in the exchange server complex;

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- the network is electrically connectable to a plurality of owner-processors, the owner-processors having proprietors, at least one proprietor having an ownership interest in the computer component exchange;
- calculating a fee for matching the buy order with the second owner-processor;
- calculating a net profit resulting from charging the calculated fee;
- apportioning the net profit based on the number of shares associated with each owner-processor;
- each of the plurality of owner-processors are capable of being associated with one or more shares representing the respective proprietor's ownership in the exchange server complex, at least a first owner-processor adaptable to transmit electronic buy orders through the network for purchasing products, at least a second owner-processor adaptable to receive buy orders from the network.

Additionally, in addition to the prior art teachings identified above for the identified prior art, Hawkins teaches:

- receiving one or more buy orders from the first owner-processor (col. 3 line 48 – col. 4 line 3);
- matching the one or more buy orders with a second owner-processor (col. 3 line 48 – col. 4 line 3);
- charging the calculated fee to at least the first or second owner-processor, or to both the first and second owner-processors (col. 14 lines 39-48; col. 17 lines 42-46);



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-- updating the accounting database based on the apportioning of the net profit (fig. 12 [600]; col. 14 line 10 – col. 15 line 12).

Therefore, it would have been obvious to one skilled in the art at the time the invention was made to combine the inventions of Hawkins et al., Multimedia and Stolzoff to explicitly teach applicant's claimed invention above in combination with components of the invention that encompassed shares of ownership and monetary exchanges related to ownership factors, calculating and charging fees, and apportioning the net profit based on the number of shares associated with each owner-processor, as disclosed by the combination of Hawkins et al., Multimedia and Stolzoff, for the motivation of compensating owners/systems for the exchange of products and services.

Claims 2 ,3, 19. Hawkins teaches providing incentives for the proprietors of each of the owner-processors to place or receive buy orders with the exchange server complex by associating one or more shares with the owner-processors that place or receive a threshold number of buy orders (col. 14 lines 10-55; col. 17 lines 42-46).

Claims 4, 20. Hawkins teaches withdrawing payment for the second owner processor from an electronic escrow account associated with the first owner-processor after the proprietor of the first owner-processor receives the computer components that the buy order was for (col. 14 line 58 – col. 15 line 12).

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Claims 5, 21. Hawkins teaches charging the calculated fee comprises electronically debiting a bank account associated with the first owner-processor (col. 14 line 57 – col. 15 line 12).

Claims 6, 22. Hawkins teaches charging the calculated fee comprises electronically debiting a bank account associated with the second owner-processor (col. 14 line 57 – col. 15 line 12).

Claims 7, 23. Hawkins teaches charging the calculated fee comprises electronically debiting a first bank account associated with the first owner-processor and a second bank account associated with the second owner-processor (col. 14 line 57 – col. 15 line 12).

Claims 8, 32. Hawkins teaches apportioning comprises electronically crediting a bank account associated with each of the plurality of owner-processors that are associated with shares based on the number of shares associated with each respective owner-processor (col. 17 lines 42-46).

Claims 9, 24. Hawkins teaches matching comprises matching a set of requirements in the buy order with the second owner-processor if the second owner processor indicates that a proprietor of the second owner-processor is able to supply computer components that meet the set of requirements (Abstract; col. 3 lines 27-38).

Claims 10, 25. Hawkins teaches the set of requirements are in an electronic commerce standard format (col. 3 lines 27-38).

Claims 12, 27. Hawkins teaches referring either the first, second or both the first and second owner-processors to a value added service (col. 14 lines 39-48), as inferred through the charging of the value-added tax and a shared commission.

Claims 13, 28. Hawkins teaches charging a referral fee to the value added service 2 after the step of referring (col. 14 lines 39-48), as inferred through the charging of the value-added tax and a shared commission.

Claims 14, 29. Hawkins teaches apportioning the fee received from the value added service as part of the net profit among the owner-processors based on the number of shares associated with each owner-processor (fig. 21 [641, 642, 643, 645, 646, 654, 656]; col. 14 lines 39-48).

Claims 15, 30. Hawkins teaches the value added service comprises a computer component shipping agent for providing transportation of the computer components that are for the buy order, the computer components being shipped from a proprietor of the second owner-processor to the proprietor of the first owner-processor (fig. 15 [500, 502, 504, 506, 508, 524, 526]).

Claims 16, 17, 31. Hawkins teaches publishing statistics based on a plurality of buy orders received from a plurality of the owner-processors that are each matched with at least one other owner-processor, wherein the step of publishing comprises presenting an electronic ticker tape for display on an attached monitor of one or more of the owner processors for informing a proprietor of each respective owner-processor of closing prices per unit by type of computer component in the latest buy order in time that was matched with an owner-processor for each type of computer component (fig. 19 [900, 920]; fig. 22 [302]; col. 16 lines 8-19).

7. Claims 11 and 26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hawkins et al. (U.S. Patent No. 6,029,146), and further in view of "Should Publishers Consider Retail Revenue Sharing With Online Networks;" Multimedia Wire; v5, n142; 24 July 1998 (hereafter referred to as Multimedia), Stolzoff et al. (WO 00/75828), and Plate et al. (U.S. Patent Application Publication No. US 2001/0047322).

Claims 11, 26. Neither Hawkins et al., Multimedia Wire nor Stolzoff et al. specifically discloses the electronic commerce standard format comprises a bill of materials format as described by ROSETTANET. Hawkins et al. does disclose *an originating broker 100 will transmit a message to an executing or regional broker 101 to buy or sell securities in the SWIFT MT502 format. The message will be transmitted from a user's workstation via the public data network (PDN) and will be stored on a host*

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*machine 102. The host 102 will store the message until the executing broker 101 manually connects to the host 102 and downloads the data. The data will then be presented to the regional broker 101 on his or her workstation in a combined MT502/MT5S18 format (col. 7 lines 47-56). Additionally, Plate et al. teaches use of ROSETTANET in the teaching (pg. 4 [0052]): Preferably, communication protocols are XML based and, in the interests of interoperability and low cost-of-entry, conform to open standards such as those being developed by RosettaNet or UCCNet. Preferably, communication is conducted over 24/7 links in a zero-downtime network. Participants' systems should be similarly reliable. Therefore, it would have been obvious to one skilled in the art at the time the invention was made to modify the disclose modify the disclosures of Hawkins et al., Multimedia Wire and Stolzoff et al. to explicitly format data, including bills of material, in a format as described by ROSETTANET, as disclosed by Plate et al., for the motivation of executing buy orders on a network in a compatible manner/format among trading partners.*

### ***Response to Arguments***

8. Applicant's arguments, see Paper #5, filed 11/26/2003, with respect to the rejection(s) of claim(s) 1-32 under Hawkins et al. have been fully considered and are persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made for:

- Claims 1-10, 12-25, and 27-32: in view of Hawkins et al. (U.S. Patent No. 6,029,146), and further in view of "Should Publishers Consider Retail Revenue Sharing

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With Online Networks;" Multimedia Wire; v5, n142; 24 July 1998, and Stolzoff et al. (WO 00/75828); and

- Claims 11 and 26: in view of Hawkins et al. (U.S. Patent No. 6,029,146), and further in view of "Should Publishers Consider Retail Revenue Sharing With Online Networks;" Multimedia Wire; v5, n142; 24 July 1998, Stolzoff et al. (WO 00/75828), and Plate et al. (U.S. Patent Application Publication No. US 2001/0047322).

### ***Conclusion***

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Prior art includes:

- Buist (U.S. Patent No. 6408282) discloses a system and method of the preferred embodiment supports trading of securities over the Internet both on national exchanges and outside the national exchanges. The preferred embodiment supports an improved human interface and a continuous display of real-time stock quotes on the user's computer screen. The ergonomic graphical user interface (GUI) of the preferred embodiment includes several functional benefits in comparison with existing on-line consumer trading systems. In the preferred embodiment, the users are subscribers to a securities trading service offered over the Internet. Preferably, each subscriber to this service is simultaneously connected from his own computer to a first system which provides user-to-user trading capabilities and to a second system which is a broker/dealer system of his/her choice. The system providing the user-to-user trading

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services preferably includes a root server and a hierarchical network of replicated servers supporting replicated databases.


- Keiser et al. (U.S. Patent No. 6505174) discloses method, apparatus, and article of manufacture for a computer-implemented financial management system that permits the trading of securities via a network. A server computer receives buy and sell orders for derivative financial instruments from a plurality of client computers.
- Debe et al. (U.S. Patent No. 5,758,097) that teaches a method, apparatus, and article of manufacture for a computer-implemented financial management system that permits the trading of securities via a network. A server computer receives buy and sell orders for derivative financial instruments from a plurality of client computers. The server computer matches the buy orders to the sell orders and then generates a market price through the use of a virtual specialist program executed by the server computer.
- Kennedy et al. (WO Patent Application No. 01/24089) that teaches a host in communication with a plurality of distributors. Each of these distributors offers an addressable inventory of merchandise that consists of discrete items.

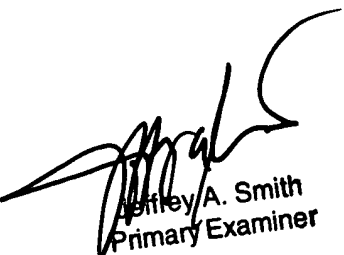
10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Forest Thompson Jr. whose telephone number is (703) 306-5449. The examiner can normally be reached on 6:30 AM-3:30 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

FT   
04/01/2004

  
Jeffrey A. Smith  
Primary Examiner